

OMB

29 APR 1975

Mr. James F. C. Hyde  
Acting Assistant Director for  
Legislative Reference  
Office of Management and Budget  
Washington, D. C. 20503

Dear Mr. Hyde:

Enclosed is a proposed report to Chairman Price,  
House Committee on Armed Services, in response to his  
request for our recommendations on H.R. 628, a bill to amend  
the National Security Act of 1947.

Advice is requested as to whether there is any  
objection to the submission of this report from the stand-  
point of the Administration's program.

Sincerely,

SIGNED

George L. Cary  
Legislative Counsel

Enclosure

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Honorable Melvin Price, Chairman  
Committee on Armed Services  
House of Representatives  
Washington, D. C. 20515

Dear Mr. Chairman:

This letter is in response to your request for our views and recommendations on H.R. 628, which would amend section 102(d)(5) of the National Security Act of 1947 (50 U.S.C. 403). Specifically, the bill would alter this statutory duty of the Central Intelligence Agency to read (proposed language underlined):

(5) to perform such other functions and duties related to intelligence gathering affecting the national security as the National Security Council may from time to time direct. Nothing in this subsection shall be construed to authorize the Agency to engage, in any manner or to any extent, in the incitement, organization, supervision, assistance, or conduct of any military, paramilitary, or political activity.

The apparent purpose of this bill is to prohibit CIA from engaging in any covert action, which the Agency undertakes upon specific direction of the National Security Council, pursuant to section 102(d)(5). Both Houses of the 93rd Congress defeated attempts to eliminate this Agency's covert action capability. The House voted 291-108 on September 24, 1974, against an amendment to the Fiscal 1975 Continuing Appropriations Resolution (H.J. Res. 1131) to deny funds to CIA for the purpose of undermining the government of any foreign country. The Senate rejected, by a vote of 68-17 on October 2, 1974, an attempt to amend the Foreign Assistance Act to abolish all CIA covert actions (amendment number 1922). The 93rd Congress did, however, take significant action regarding these activities. Section 32 of the Foreign Assistance Act of 1974 (P.L. 93-559)

requires the President to make a finding that each proposed covert action is important to the national security, and to submit a report on the finding to the appropriate congressional committees. As a result, six committees are now being briefed on these activities.

The covert actions of this Agency are now only a small part of our total effort on behalf of the United States Government. Such was not always the case. When the United States was confronting worldwide Communist subversion of the 1950's and Communist insurgency in the 1960's, our Government found it necessary to aggressively oppose the expansion of Communist political influence. Consequently, covert actions required a substantial part of the CIA budget. The changing pattern of world affairs and our more refined approach in dealing with various problem areas have enabled us to reduce these expenditures to only a small fraction of their former level. I strongly oppose any attempt to eliminate this Government's covert action capability, however.

The United States must be prepared for any eventuality. International situations may well arise to which U. S. policy-makers feel compelled to respond in some manner. It could be a crippling mistake to deprive our government of the possibility of even a modest covert action response, leaving no possible alternative between a diplomatic protest and the commitment of our armed forces.

Although I believe H. R. 628 to be directed solely against this Agency's covert actions, the broad language employed could cause other very serious and far-reaching problems. The prohibition against any Agency involvement in military, paramilitary, or political activity would on its face prohibit the CIA from contributing to the defense of the United States, should this country be at war. In addition, the bill could prohibit passing information to an ally under military attack, or cooperating with a friendly foreign intelligence service which was part of its nation's military establishment, as both of these could be considered assistance to a military activity.

Mr. Chairman, for the above reasons I strongly oppose H. R. 628.

The Office of Management and Budget has advised there is no objection to the submission of this report from the standpoint of the Administration's program.

Sincerely,

W. E. Colby  
Director